

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. A brief description of major enterprise funds follows:

Housing Loan Fund accounts for contracts for the sale of properties to California veterans and to California National Guard members and program loans to finance the housing needs of persons and families of low and moderate income.

Water Resources Fund accounts for charges to local water districts and the sale of excess power to public utilities.

School Building Aid Fund accounts for loans to school districts for acquisition, construction, or rehabilitation of classroom facilities and for income from the rental of portable classrooms to school districts.

Toll Facilities Fund accounts for fees collected for crossing state toll bridges.

California State University Fund accounts for charges to students for housing and parking and student fees for campus unions, health centers, and self-supporting educational programs.

Leasing of Public Assets Fund accounts for rental charges from the lease of public assets.

State Lottery Fund accounts for the sale of lottery tickets.

Harbors and Watercraft Fund accounts for the activities of the Department of Boating and Waterways, which includes loans, grants, and subventions to local governments for harbor improvements and boating safety and enforcement programs.

Health Facilities Construction Loan Insurance Fund accounts for an insurance program for health facility construction loans.

Other Enterprise Funds account for all other goods or services provided to the general public on a continuing basis when all or most of the cost involved is to be financed by user charges, or when periodic measurement of the results of operations is appropriate for management control, accountability, capital maintenance, public policy, or other purposes.

Enterprise Funds Combining Balance Sheet

June 30, 1996

(Amounts in thousands)

	Housing Loan	Water Resources	School Building Aid	Toll Facilities
ASSETS:				
Cash and pooled investments.....	\$ 313,926	\$ 348,112	\$ 77,715	\$ 656,306
Investments.....	1,015,488	79,337	—	3,468
Receivables (net).....	24,598	7,202	—	2,380
Due from other funds.....	4,499	72,215	—	12,506
Due from other governments.....	—	53,833	4,128	—
Prepaid items.....	—	10,685	—	14,000
Inventory, at cost.....	—	16,958	—	—
Net investment in direct financing leases.....	—	—	—	—
Advances and loans receivable.....	2,354,849	79,843	191,106	6,234
Deferred charges.....	6,267	993,977	—	2,875
Fixed assets.....	8,437	3,295,791	76,039	1,004,731
Other assets.....	58,663	—	—	239
Total Assets.....	\$ 3,786,727	\$ 4,957,953	\$ 348,988	\$ 1,702,739
LIABILITIES:				
Accounts payable.....	\$ 251	\$ 67,987	\$ —	\$ 55
Due to other funds.....	3,094	35,891	61,201	14,865
Due to component units.....	—	—	1,556	—
Due to other governments.....	—	41,381	—	735
Advances from other funds.....	134,260	50,312	—	6,160
Benefits payable.....	82,840	—	—	—
Deposits.....	—	—	—	1,270
Contracts and notes payable.....	—	—	—	—
Lottery prizes and annuities.....	—	—	—	—
Compensated absences payable.....	—	17,219	—	—
Commercial paper.....	—	21,000	—	—
Capital lease obligation.....	—	—	—	—
Advance collections.....	—	282,198	—	—
General obligation bonds payable.....	2,814,595	1,095,590	18,000	—
Revenue bonds payable.....	374,975	2,225,329	—	56,850
Interest payable.....	86,783	26,351	—	470
Other liabilities.....	—	2,325	—	16
Total Liabilities.....	\$ 3,496,798	\$ 3,865,583	\$ 80,757	\$ 80,421
FUND EQUITY:				
Contributed capital.....	—	178,031	—	—
Retained earnings:				
Reserved for regulatory requirements.....	—	—	—	—
Unreserved.....	289,929	914,339	268,231	1,622,318
Total Retained Earnings.....	289,929	914,339	268,231	1,622,318
Total Fund Equity.....	289,929	1,092,370	268,231	1,622,318
Total Liabilities and Fund Equity.....	\$ 3,786,727	\$ 4,957,953	\$ 348,988	\$ 1,702,739

California State University	Leasing of Public Assets	State Lottery	Harbors and Watercraft	Health Facilities Construction Loan Insurance	Other Enterprise	Total
\$ 360,644	\$ 920,120	\$ 180,189	\$ 74,920	\$ 141,586	\$ 74,841	\$ 3,148,359
—	137,656	2,445,619	—	—	570	3,682,138
11,532	—	47,468	231	139	4,702	98,252
11,105	119,198	8,015	2,455	3,909	7,745	241,647
71	—	—	6,665	—	1,722	66,419
29	—	894	163	—	247	26,018
—	—	2,509	—	—	3,004	22,471
—	4,153,448	—	—	—	—	4,153,448
2,663	—	—	195,974	—	27,911	2,858,580
—	62,359	4,115	—	—	—	1,069,593
670,230	310,578	65,951	849	8	27,806	5,460,420
30	—	—	395	—	—	59,327
\$ 1,056,304	\$ 5,703,359	\$ 2,754,760	\$ 281,652	\$ 145,642	\$ 148,548	\$ 20,886,672
\$ 16,262	\$ 75,933	\$ 30,043	\$ 8,817	\$ 1,027	\$ 16,718	\$ 217,093
9,855	16,335	189,700	3,449	124	1,384	335,898
—	1,023	—	—	—	—	2,579
—	1,216	157	62,788	71	57	106,405
2,663	—	—	—	—	6,382	199,777
—	—	—	—	—	219	83,059
741	—	1,042	395	—	2,990	6,438
—	—	—	—	—	653	653
—	—	2,526,650	—	—	—	2,526,650
9,849	—	4,315	—	182	883	32,448
—	—	—	—	—	—	21,000
—	—	—	—	—	313	313
40,708	20,681	2,853	118	15	1,284	347,857
—	—	—	—	—	54,100	3,982,285
330,308	5,431,442	—	—	—	—	8,418,904
3,616	57,822	—	—	—	29	175,071
2,419	—	—	26	—	9,967	14,753
416,421	5,604,452	2,754,760	75,593	1,419	94,979	16,471,183
17,202	—	—	—	—	21,014	216,247
142,492	—	—	—	—	—	142,492
480,189	98,907	—	206,059	144,223	32,555	4,056,750
622,681	98,907	—	206,059	144,223	32,555	4,199,242
639,883	98,907	—	206,059	144,223	53,569	4,415,489
\$ 1,056,304	\$ 5,703,359	\$ 2,754,760	\$ 281,652	\$ 145,642	\$ 148,548	\$ 20,886,672

Enterprise Funds

Combining Statement of Revenues, Expenses, and Changes in Retained Earnings

Year Ended June 30, 1996

(Amounts in thousands)

	Housing Loan	Water Resources	School Building Aid	Toll Facilities
OPERATING REVENUES:				
Lottery ticket sales.....	\$ —	\$ —	\$ —	\$ —
Services and sales.....	8,980	480,720	—	137,600
Earned premiums (net).....	21,159	—	—	—
Investment and interest.....	261,795	—	—	—
Rent.....	—	—	25,676	3,100
Other.....	343	—	—	527
Total Operating Revenues.....	292,277	480,720	25,676	141,227
OPERATING EXPENSES:				
Lottery prizes.....	—	—	—	—
Personal services.....	10,929	103,653	1,094	24,153
Supplies.....	—	—	—	262
Services and charges.....	11,228	166,429	40,534	12,577
Depreciation.....	849	57,902	3,720	—
Benefit payments.....	29,372	—	—	—
Interest expense.....	247,991	—	—	—
Amortization (recovery) of deferred charges.....	—	(35,490)	—	430
Total Operating Expenses.....	300,369	292,494	45,348	37,422
Operating Income (Loss).....	(8,092)	188,226	(19,672)	103,805
NONOPERATING REVENUES (EXPENSES):				
Grants received.....	—	—	—	—
Grants provided.....	—	—	—	(13,276)
Interest revenue.....	11,144	22,943	23,219	35,359
Interest expense and fiscal charges.....	(161)	(161,939)	(1,917)	(2,412)
Lottery payments for education.....	—	—	—	—
Other.....	(5,510)	(4,753)	—	—
Payment to refunded bond escrow agent.....	—	—	—	—
Total Nonoperating Revenues (Expenses).....	5,473	(143,749)	21,302	19,671
Income (Loss) Before Operating Transfers.....	(2,619)	44,477	1,630	123,476
OPERATING TRANSFERS:				
Operating transfers in.....	11,144	—	—	—
Operating transfers out.....	(11,144)	—	(20,477)	(12,051)
Total Operating Transfers.....	—	—	(20,477)	(12,051)
Net Income (Loss).....	(2,619)	44,477	(18,847)	111,425
Retained Earnings, July 1, 1995.....	292,548	869,862	287,078	1,510,893
Retained Earnings, June 30, 1996.....	\$ 289,929	\$ 914,339	\$ 268,231	\$ 1,622,318

California State University	Leasing of Public Assets	State Lottery	Harbors and Watercraft	Health Facilities Construction Loan Insurance	Other Enterprise Funds	Total
\$ —	\$ —	\$ 2,292,325	\$ —	\$ —	\$ —	\$ 2,292,325
240,465	—	—	14,316	16,935	72,490	971,506
—	—	—	—	—	—	21,159
(2)	39,433	—	—	1	994	302,221
—	291,040	—	—	—	—	319,816
226	63	—	—	—	950	2,109
240,689	330,536	2,292,325	14,316	16,936	74,434	3,909,136
—	—	1,128,453	—	—	—	1,128,453
79,344	—	46,831	3,354	182	8,589	278,129
—	—	75,894	—	—	—	76,156
99,050	22,772	230,418	32,376	14,906	61,008	691,298
—	—	10,489	—	—	2,226	75,186
—	—	—	—	—	—	29,372
—	258,643	—	—	—	4,540	511,174
—	15,279	1,803	—	—	—	(17,978)
178,394	296,694	1,493,888	35,730	15,088	76,363	2,771,790
62,295	33,842	798,437	(21,414)	1,848	(1,929)	1,137,346
481	—	—	—	—	—	481
—	—	—	—	—	—	(13,276)
17,949	—	16,344	12,933	—	3,121	143,012
(20,259)	—	—	—	—	(1,442)	(188,130)
—	—	(815,189)	—	—	—	(815,189)
(4,091)	—	408	—	—	—	(13,946)
(2,211)	—	—	—	—	—	(2,211)
(8,131)	—	(798,437)	12,933	—	1,679	(889,259)
54,164	33,842	—	(8,481)	1,848	(250)	248,087
23,824	1,066	—	28,548	—	16,247	80,829
(43,403)	(1,064)	—	—	—	(517)	(88,656)
(19,579)	2	—	28,548	—	15,730	(7,827)
34,585	33,844	—	20,067	1,848	15,480	240,260
588,096	65,063	—	185,992	142,375	17,075	3,958,982
\$ 622,681	\$ 98,907	\$ —	\$ 206,059	\$ 144,223	\$ 32,555	\$ 4,199,242

Enterprise Funds

Combining Statement of Cash Flows

Year Ended June 30, 1996

(Amounts in thousands)

	Housing Loan	Water Resources	School Building Aid	Toll Facilities
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss).....	\$ (8,092)	\$ 188,226	\$ (19,672)	\$ 103,805
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATIONS:				
Interest expense on operating debt.....	—	—	—	—
Depreciation.....	849	57,902	3,720	—
Accretion of capital appreciation bonds.....	—	—	—	—
Provisions and allowances.....	—	—	—	—
Accrual of deferred charge.....	—	—	—	430
Amortization of deferred credit.....	—	(3,575)	—	—
Amortization of discounts.....	(55)	—	—	—
Amortization (recovery) of deferred charges.....	—	(33,990)	—	—
Other.....	75	—	—	—
Change in assets and liabilities:				
Receivables.....	(874)	435	—	1,783
Due from other funds.....	506	(10,000)	—	(1,614)
Due from other governments.....	—	(18,923)	21	—
Prepaid items.....	—	(4,998)	—	(100)
Inventory.....	—	(5,032)	—	—
Net investment in direct financing leases.....	—	—	—	—
Advances and loans receivable.....	—	—	—	—
Other assets.....	(21,586)	—	—	(31)
Accounts payable.....	(12)	20,601	(493)	(13)
Interest payable.....	(4,393)	—	—	—
Due to other funds.....	(144)	(13,817)	(27,259)	9,885
Due to component units.....	—	—	154	—
Due to other governments.....	—	1,093	—	(434)
Benefits payable.....	(3,752)	—	—	—
Deposits.....	—	—	—	125
Lottery prizes and annuities.....	—	—	—	—
Contracts and notes payable.....	—	—	—	—
Compensated absences payable.....	—	(605)	—	—
Capital lease obligations.....	—	—	—	—
Advance collections.....	—	(22,772)	—	—
Other liabilities.....	—	1,847	—	12
Total Adjustments.....	(29,386)	(31,834)	(23,857)	10,043
Net Cash Provided by (Used In) Operating Activities.....	(37,478)	156,392	(43,529)	113,848
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Advances from other funds.....	—	—	—	—
Retirement of general obligation bonds.....	(189,890)	—	(16,750)	—
Retirement of revenue bonds.....	(65,463)	—	—	—
Interest paid on operating debt.....	—	—	(1,917)	—
Operating transfers in.....	—	—	—	—
Operating transfers out.....	—	—	(20,477)	(12,051)

California State University	Leasing of Public Assets	State Lottery	Harbors and Watercraft	Health Facilities Construction Loan Insurance	Other Enterprise	Total
\$ 62,295	\$ 33,842	\$ 798,437	\$ (21,414)	\$ 1,848	\$ (1,929)	\$ 1,137,346
—	(713)	—	—	—	—	(713)
—	—	10,489	—	—	2,226	75,186
—	10,000	—	—	—	—	10,000
—	—	2,514	—	—	—	2,514
—	(6,822)	—	—	—	—	(6,392)
—	—	—	—	—	—	(3,575)
—	(4,603)	—	—	—	—	(4,658)
—	—	1,803	—	—	—	(32,187)
—	—	8,203	472	—	829	9,579
(3,241)	—	2,355	15	1,013	(1,670)	(184)
(1,017)	(12,325)	1,667	772	54	(5,179)	(27,136)
(71)	—	—	(283)	—	(402)	(19,658)
382	—	41	(32)	—	611	(4,096)
—	—	2,166	—	—	303	(2,563)
—	(432,904)	—	—	—	—	(432,904)
—	—	—	—	—	251	251
—	177	—	40	—	—	(21,400)
196	9,582	1,918	800	726	9,193	42,498
—	—	—	—	—	29	(4,364)
889	4,787	207	(46,278)	(321)	(10,103)	(82,154)
—	1,023	—	—	—	—	1,177
—	488	154	7,761	26	14	9,102
—	—	—	—	—	219	(3,533)
41	—	142	(40)	—	(185)	83
—	—	87,627	—	—	—	87,627
—	—	—	—	—	(745)	(745)
—	—	184	—	182	68	(171)
—	—	—	—	—	313	313
(2,075)	10,378	1,325	(59)	15	641	(12,547)
2,302	—	—	—	—	8,574	12,735
(2,594)	(420,932)	120,795	(36,832)	1,695	4,987	(407,915)
59,701	(387,090)	919,232	(58,246)	3,543	3,058	729,431
—	—	—	—	—	347	347
—	—	—	—	—	(7,725)	(214,365)
—	—	—	—	—	—	(65,463)
—	—	—	—	—	—	(1,917)
23,197	—	—	28,548	—	16,247	67,992
(42,508)	—	—	—	—	(7,290)	(82,326)

(Continued)

Enterprise Funds

Combining Statement of Cash Flows

Year Ended June 30, 1996

(Amounts in thousands)

	Housing Loan	Water Resources	School Building Aid	Toll Facilities
CASH FLOWS FROM NONCAPITAL FINANCING				
ACTIVITIES:				
Grants provided.....	—	—	—	(13,276)
Lottery payments for education.....	—	—	—	—
Net Cash Provided by (Used In) Noncapital Financing Activities..	(255,353)	—	(39,144)	(25,327)
CASH FLOWS FROM CAPITAL AND RELATED				
FINANCING ACTIVITIES:				
Unamortized water project costs.....	—	1,384	—	—
Acquisition of fixed assets.....	—	(269,393)	—	(39,980)
Proceeds from sale of fixed assets.....	—	—	—	—
Advances from other funds.....	—	749	—	—
Return of advances from other funds.....	—	(27,011)	—	—
Proceeds from notes payable and commercial paper.....	—	244,454	—	—
Principal paid on notes payable and commercial paper.....	—	(277,509)	—	—
Retirement of general obligation bonds.....	—	(36,840)	—	—
Proceeds from revenue bonds.....	—	485,287	—	—
Retirement of revenue bonds.....	—	(199,221)	—	(6,170)
Interest paid.....	(161)	(171,603)	—	(2,482)
Contributed capital.....	—	—	—	—
Grants received.....	—	—	—	—
Operating transfers in.....	—	—	—	—
Operating transfers out.....	—	—	—	—
Payment of deferred costs.....	—	—	—	—
Payment to refunding bond escrow agent.....	—	—	—	—
Other costs.....	—	—	—	—
Net Cash Provided by (Used In) Capital and Related				
Financing Activities.....	(161)	(249,703)	—	(48,632)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investments.....	(112)	—	—	—
Advances and loans provided.....	—	—	—	(1,626)
Collection of advances and loans.....	126,049	3,057	34,990	—
Proceeds from maturity and sale of investments.....	143,216	—	—	5
Interest and gains on investments.....	11,188	20,273	23,219	35,359
Net Cash Provided by (Used In) Investing Activities.....	280,341	23,330	58,209	33,738
Net Increase (Decrease) in Cash and Pooled Investments.....	(12,651)	(69,981)	(24,464)	73,627
Cash and Pooled Investments at July 1, 1995.....	326,577	418,093	102,179	582,679
Cash and Pooled Investments at June 30, 1996.....	\$ 313,926	\$ 348,112	\$ 77,715	\$ 656,306

California State University	Leasing of Public Assets	State Lottery	Harbors and Watercraft	Health Facilities Construction Loan Insurance	Other Enterprise	Total
—	—	—	—	—	—	(13,276)
—	—	(847,922)	—	—	—	(847,922)
(19,311)	—	(847,922)	28,548	—	1,579	(1,156,930)
—	—	—	—	—	—	1,384
(36,186)	—	(29,816)	(40)	—	(2,315)	(377,730)
—	—	111	—	151	—	262
—	287,920	—	—	—	—	288,669
—	(287,920)	—	—	—	—	(314,931)
—	—	—	—	—	—	244,454
—	—	—	—	—	—	(277,509)
—	—	—	—	—	—	(36,840)
182,944	634,985	—	—	—	—	1,303,216
(22,495)	(203,309)	—	—	—	—	(431,195)
(19,820)	—	—	—	—	(1,442)	(195,508)
718	—	—	—	—	737	1,455
481	—	—	—	—	—	481
—	1,066	—	—	—	—	1,066
—	(1,064)	—	—	—	—	(1,064)
—	6,070	—	—	—	—	6,070
(162,202)	—	—	—	—	—	(162,202)
—	(1,512)	—	—	—	—	(1,512)
(56,560)	436,236	(29,705)	(40)	151	(3,020)	48,566
—	—	(324,488)	—	—	(138)	(324,738)
—	—	—	(9,462)	—	(1,081)	(12,169)
56	—	—	6,469	—	488	171,109
—	4,518	262,153	—	—	—	409,892
19,320	1,261	16,595	4,664	—	3,121	135,000
19,376	5,779	(45,740)	1,671	—	2,390	379,094
3,206	54,925	(4,135)	(28,067)	3,694	4,007	161
357,438	865,195	184,324	102,987	137,892	70,834	3,148,198
\$ 360,644	\$ 920,120	\$ 180,189	\$ 74,920	\$ 141,586	\$ 74,841	\$ 3,148,359

(Concluded)

